

STATE OF MICHIGAN
DEPARTMENT OF INSURANCE AND FINANCIAL SERVICES
Before the Director of the Department of Insurance and Financial Services

In the matter of:

Kuldip S. Deogun, MD PC
Petitioner

File No. 21-1704

v

Auto-Owners Insurance Company
Respondent

Issued and entered
this 7th day of January 2022
by Sarah Wohlford
Special Deputy Director

ORDER

I. PROCEDURAL BACKGROUND

On November 8, 2021, Kuldip S. Deogun, MD PC (Petitioner) filed with the Department of Insurance and Financial Services (Department) a request for an appeal pursuant to Section 3157a of the Insurance Code of 1956 (Code), 1956 PA 218, MCL 500.3157a. The request for an appeal concerns the determination of Auto-Owners Insurance Company (Respondent) that the Petitioner overutilized or otherwise rendered or ordered inappropriate treatment, products, services, or accommodations, or that the cost of the treatment, products, services, or accommodations was inappropriate under Chapter 31 of the Code, MCL 500.3101 to MCL 500.3179.

The Respondent issued the Petitioner a written notice of the Respondent's determination under R 500.64(1) on November 4, 2021. The Petitioner seeks reimbursement in the full amount it billed for the dates of service at issue.

The Department accepted the request for an appeal on November 16, 2021. Pursuant to R 500.65, the Department notified the Respondent and the injured person of the Petitioner's request for an appeal on November 16, 2021 and provided the Respondent with a copy of the Petitioner's submitted documents. The Respondent filed a reply to the Petitioner's appeal on December 7, 2021.

II. FACTUAL BACKGROUND

This appeal concerns the denial of payment for radio frequency ablation and sedation treatments rendered on October 5, 2021. The Petitioner billed the treatments under procedure codes 64633, 64634,

99152, and 99153, which are described as destruction by neurolytic agent procedures on somatic nerves and moderate conscious sedation. In its determination, the Respondent denied payment on the basis that the treatments were not medically necessary based on Official Disability Guidelines (ODG).

With its appeal request, the Petitioner submitted documentation that identified the injured person's diagnoses as other intervertebral disc degeneration of the thoracic region, pain in thoracic spine, and spondylosis without myelopathy or radiculopathy of the thoracic region following a June 2020 motor vehicle accident. The Petitioner stated in its appeal that the injured person's chief complaint was chronic thoracic pain with a history of compression fracture.

In its reply, the Respondent reversed its initial determination relating to medical necessity. The Respondent allowed reimbursement to the Petitioner for treatments and date of service at issue. The Respondent provided updated *Explanation of Review* letters which indicated reimbursement was issued to the Petitioner. However, the Respondent indicated that it reimbursed the Petitioner according to "contract pricing."

III. ANALYSIS

Under MCL 500.3157a(5), a provider may appeal an insurer's determination that the provider overutilized or otherwise rendered inappropriate treatment, products, services, or accommodations, or that the cost of the treatment, products, services, or accommodations was inappropriate under Chapter 31 of the Code.

For dates of service after July 1, 2021, MCL 500.3157 governs reimbursements to providers, regardless of contract pricing. In its *Explanation of Review* letters, the Respondent indicated that its reimbursement to the Petitioner was based on contract pricing for dates of service after July 1, 2021.

The Director finds that the Petitioner is entitled to reimbursement in the amount payable under MCL 500.3157 for the dates of service at issue and to interest on any overdue payments.

IV. ORDER

The Director orders the Respondent to reimburse the Petitioner in the amount payable under MCL 500.3157 for the treatment on the dates of service discussed herein, and to interest on any overdue payments as set forth in Section 3142 of the Code, MCL 500.3142. R 500.65(6). The Respondent shall, within 21 days of this order, submit proof that it has complied with this order.

This order applies only to the treatment and dates of service discussed herein and may not be relied upon by either party to determine the injured person's eligibility for future treatment or as a basis for action on other treatment or dates of service not addressed in this order.

This is a final decision of an administrative agency. A person aggrieved by this order may seek judicial review in a manner provided under Chapter 6 of the Administrative Procedures Act of 1969, 1969 PA 306, MCL 24.301 to 24.306. MCL 500.244(1); R 500.65(7). A copy of a petition for judicial review should be sent to the Department of Insurance and Financial Services, Office of Research, Rules, and Appeals, Post Office Box 30220, Lansing, MI 48909-7720.

Anita G. Fox
Director
For the Director:

X *Sarah Wohlford*

Sarah Wohlford
Special Deputy Director
Signed by: Sarah Wohlford